



Administrative Policies and Procedures: 16.56

Subject:	Interdependent Living Direct Payment Allowance
Authority:	TCA 37-5-106
Standards:	DCS Practice Model 8-104, PA-CM 7.01
Application:	DCS Staff Working with Interdependent Living Services and Young adults in Voluntary Post-Custody Status
Policy Statement:	
DCS shall establish a direct-pay process to provide a living allowance to eligible young adults.	
Purpose:	
The purpose of the direct payment process is to assist eligible young adults as they gain self-sufficiency, and to promote a successful transition to adulthood. Young adults shall have the ability to readily access funds, and utilize financial management skills.	
Procedures:	
A. Guidelines for Interdependent Living Allowance (ILA)	<ol style="list-style-type: none">1. Direct payment allowances for post custody youth are referred to as the Interdependent Living Allowance (ILA).2. All eligible youth must attend a training course coordinated by Interdependent Living Program Specialists, and comply with all additional requirements in preparation for utilizing the ILA system as outlined in this policy.3. Any change in the ILA amount, to include termination of the ILA, shall require notification of the young adult affected via CS-0760 Notice of Denial, Termination or Change in DCS Voluntary Post Custody or Scholarship Services at least ten (10) calendar days before the anticipated change. The young adult affected shall also have the opportunity to review this decision in the context of a Child and Family Team meeting. Young adults may request a Program Review to adjust or terminate the ILA by following the procedures outlined in Section O (Due Process for the Appeal of Eligibility-Related Decisions) of Policy 16.52: Eligibility for Interdependent Living and Voluntary Post-Custody Services) utilizing CS-0761 Program Review Request.
B. Interdependent Living Allowance	<ol style="list-style-type: none">1. Interdependent Living Allowance (ILA) payments shall be determined based on a per diem. This is in accordance with the guidelines established by the

(ILA) Rates	<p>DCS Office of Interdependent Living and Fiscal staff.</p> <p>2. The payment amount shall be determined by a mutual agreement (contract) between the young adult and the DCS Office of Interdependent Living. Although rates have been established based on certain criteria, DCS reserves the ability to administer these rates per applicant based on an assessment of actual need. The ILA rate shall be the established amount.</p> <p>3. Regular Rate: <u>\$16.12/day</u></p> <p>The regular rate is available for eligible youth who do not have documented special needs <u>and</u> have not reached the age for the graduated rate to begin. A youth may continue to receive this rate after their 21st birthday, but The IL Director or designee must approve this by providing a written justification.</p> <p>4. Special Circumstances Rate: <u>\$19.35/day</u></p> <p>a) The special circumstance rate is available for eligible young adults with unique needs, as determined by the DCS Office of Interdependent Living. Young adults with dependents who are physically and legally in their custody are also eligible for this rate. The IL Director or designee must approve this rate by providing a written justification.</p> <p>b) The Family Service Worker (FSW) must provide supporting documentation about any special circumstances. This must be done before the rate can be determined and established within the contract.</p> <p>5. Graduated Rate: <u>\$8.06/day</u></p> <p>a) It is reasonable to work with young adults to gradually assume more financial responsibility as they reach the end of DCS Voluntary Post-Custody Services eligibility and approach self-sufficiency.</p> <p>b) The Graduated Rate is designed to prepare young adults (21 to 23rd birthday) for this transition. Application for the graduated rate will be done through an assessment of the young adult's financial need. The assessment shall include, but is not limited to, verification of employment and the development of a budget to identify other financial resources that might be available to the young adult.</p> <p>c) The Graduated Rate may also be applied in circumstances where the young adult is assessed to possess sufficient income and support from other resources. The assessment shall include, but is not limited to, verification of employment and the development of a budget to identify other financial resources that might be available to the young adult.</p>
C. Establishing the Interdependent Living Allowance Contract and	<p>1. Following completion of a training course coordinated by an Interdependent Living Program Specialist, the young adult must complete and provide a <i>Substitute W-9 form</i>. This form shall be made available to the young adult by the Interdependent Living Program Specialist following the training.</p>

<p>Payment Arrangement</p>	<p><u>Important:</u> The address for the youth should reflect their permanent living address because this is where all of the financial information will be mailed.</p> <ol style="list-style-type: none"> 2. All young adults must also complete Form FA-0825, ACH-Automated Clearinghouse Credits. This form shall be made available to the young adult by the Interdependent Living Program Specialist following the training, and must be submitted with a VOIDED check or a VOIDED savings deposit slip. The ACH provides direct deposit information and will allow DCS to directly deposit the ILA into the youth's bank account. The ACH will require an ABA number that is the same as the routing number (the first set of numbers found on the bottom of personal checks). <u>Please note:</u> If the youth banks with a Credit Union, the Credit Union will need to fill out the ABA number. 3. The young adult shall provide the necessary forms and collateral items to the Interdependent Living Program Specialist who conducted their training. The ILPS shall be responsible for forwarding all items necessary for opening an ILA contract to the ILA Coordinator at the DCS Office of Interdependent Living. 4. The young adult must establish two bank accounts: a checking or savings account that will accept the ILA as a direct deposit, and a "Tax Savings Account." 5. <i>The Interdependent Living Allowance payment that youth will receive from DCS is <u>taxable income</u>.</i> It is recommended that young adults establish a method to deposit 10% of every ILA payment into the "<u>Tax Savings Account</u>". 6. ALL young adults shall be instructed not to use the funds in the tax savings account. This savings account is to protect the young adults and assist in making quarterly Estimated Tax Payments on these earnings utilizing IRS Form 1040-ES. The young adults are expected to pay these taxes via these vouchers (removed during training). Vouchers are sent in each quarter along with the money that has been set-aside in the youth's "tax" savings account. The dates that young adults are expected to send in the voucher and payment is attached to the vouchers. It is the responsibility of the young adult to make these payments. 7. The direct deposit shall begin approximately thirty (30) days after the Substitute W-9 form, ACH form and collateral information are submitted. 8. All eligible young adults receiving the ILA must complete IRS form 1040, Individual Tax Return annually. This is the responsibility of the young adult.
-----------------------------------	--

D. Updating the Interdependent Living Allowance (ILA) Contract and Payment Arrangement	<ol style="list-style-type: none"> 1. Young adults must complete and submit a Substitute W-9 when he/she moves to a residence different from that initially identified when the ILA contract was established. 2. Young adults must complete and submit an ACH Clearinghouse form, and submit a voided check or savings deposit slip, whenever he/she closes the bank account that receives the ILA direct deposit, and opens another account that will receive the ILA direct deposit. 3. The young adult must immediately supply notification under the following circumstances: <ol style="list-style-type: none"> a) He/She closes the bank account that receives the ILA direct deposit. b) He/She experiences overdraft charges on the bank account that receives the ILA direct deposit, or c) The bank closes the account that receives the ILA direct deposit for any reason. 4. The young adult must contact the Interdependent Living Program Specialist monitoring his/her ILA eligibility to provide all of the above information and documents, as applicable.
E. ChiPFinS Contract	<ol style="list-style-type: none"> 1. When a young adult eligible for the ILA has a resource home contract open, the current placement contract must be terminated in ChiPFinS, and the placement closed in TNKids, before an ILA contract can be established. This also applies to open placement contracts with provider agencies. 2. A representative of the DCS Office of Interdependent Living shall contact staff from the Regional Placement Service Division (PSD) regarding the need for contract closure. The regional staff must provide notification to the resource parent that the current contract is ending and, to prevent overpayment of services and ensure that all previous contracts are terminated. This also applies to open placement contracts with provider agencies. 3. Once the ILA contract is established in ChiPFins, the young adult shall receive instructions about how to access the ChiPFins' phone in system including the call-in phone number, child ID number and the Personal Identification Number (PIN), in the mail. When young adults call in, they must have: <ol style="list-style-type: none"> a) The PIN, b) The Child Identification Number, c) The Social Security Number, and d) The specific range of dates for the payment period for which they are

Original Effective Date: DCS 16.57, 09/01/05

Current Effective Date: 08/15/07

Supersedes: DCS 16.57, 09/01/05

CS-0001

	<p>calling.</p> <p>e) The calendars that designate the Independent Living Allowance call-in dates are available on the DCS Intranet (through <u>Interdependent Living Phone In Calendars</u> in the <u>Internet</u> column), and in the "For Youth" section of the Independent Living Website.</p> <p>4. The young adult must call in one (1) time per month and must do so promptly on the designated dates.</p> <p>5. Every ILA payment must be confirmed by the cut off dates in the ChiPFinS phone system every month, in order for the youth to receive payments when due. The designated staff in the DCS Office of Interdependent Living shall confirm these contracts monthly.</p>
Forms:	<p><u>CS- 0760 Notice of Denial, Termination or Change in DCS Voluntary Post Custody or Scholarship Services</u></p> <p><u>CS-0761 Program Review Request</u></p> <p><u>CS-0762 Interdependent Living Allowance Agreement</u></p>
Collateral Documents:	None